

**BCGE Group
half-year
results**
as at 30 June 2024

Highlights

Stable figures following record result in 2023

Thanks to excellent business momentum, BCGE can report a stable result after a record year in 2023. Assets under management and administration grew by 3.8% to CHF 36.6 billion, while client receivables and mortgage loans rose by 3.5% to CHF 19.9 billion. Both the operating profit of CHF 137 million (-0.3%) and the net profit of CHF 116 million (-0.7%) proved to be robust. Equity increased by a further 3% to CHF 2.2 billion, with an equity coverage ratio of 16.7%, well above the prescribed 12.7%. The results for the first half of the year reflect the Group's ability to create lasting value for its clients and shareholders. The annual results for 2024 will be published on 11 March 2025.

▪ Resilient operating profit and net profit

Because of its strategic positioning, the Bank was able to benefit from both the domestic and international dynamics of the Geneva economy. Following the record result for the 2023 financial year, the operating profit of CHF 137 million (-0.3%) and net profit of CHF 116 million (-0.7%) proved to be remarkably stable.

The Group recorded an increase in revenues, rising 3.1% to total CHF 300 million. Its revenues are well diversified, with a net interest income of CHF 197 million, a commission income of CHF 73 million and a trading income of CHF 20 million. The 22% share of turnover in EUR and USD demonstrates the international orientation of the BCGE Group's business lines.

Operating expenses of CHF 150 million (+5.9%) reflect the Bank's business momentum as it continues to expand its teams and press ahead with its investments in digitalisation, security and the energy transition. The Group's workforce grew by 25 new positions and now totals 942 employees (full-time equivalents).

▪ An increase in lending

The Bank currently grants corporate and private clients a total of CHF 19.9 billion in loans, which corresponds to an increase of 3.5%. Of this total, CHF 13.7 billion is in mortgage loans and CHF 6.2 billion in other client loans. Mortgage loans account for 44% of the balance sheet total and demonstrate a broad diversification of assets. The Bank serves more than 250,000 clients; among them are 22,489 companies that place their trust in BCGE.

▪ An increase in assets under management and administration

Assets under management and administration rose by 3.8% to CHF 36.6 billion, demonstrating BCGE's business success. This increase is due in particular to discretionary management mandates and Synchrony investment funds, which account for CHF 15.7 billion of this total. Overall, the inflow of new client assets from private and corporate clients totalled CHF 352 million.

▪ Continued increase in equity capital

Equity rose by CHF 65 million in the first half of the year and currently stands at CHF 2.249 billion. At 16.7%, the consolidated equity ratio is well above the prescribed value of 12.7%. BCGE thus belongs to the circle of well-capitalised banks, as evidenced by the AA-/A-1+/stable rating confirmed by S&P on 27/10/23.

▪ A stable shareholder base

The number of private and institutional shareholders remains stable with 15,233 shareholders at 30 June 2024, including 14,842 private shareholders. The free float is widely distributed, with 83% of shareholders holding between 1 and 50 shares.

▪ A strong rise in share price

BCGE's share price rose by a whopping 29% in the first half of the year and stood at CHF 290.00 at the end of the reporting period. Market capitalisation is thus gradually approaching the equity value of CHF 312.30.

▪ Outlook for 2024

For 2024, barring a major downturn in the economy, the Bank expects results to be slightly below those of 2023, a record year.

Highlights

Key consolidated figures for the first half of 2024

Results (in CHF thousands)	30/06/2024	30/06/2023	Variation 2024 vs. 2023	
Operating income	299,609	290,602	9,007	3.1%
Operating expenses	150,061	141,647	8,414	5.9%
Operating profit	136,639	137,008	(369)	(0.3%)
Half-year profit	116,024	116,873	(849)	(0.7%)
ROE (operating profit to equity)	12.42%	13.63%	(121 basis points)	(8.9%)
Balance sheet volumes (in CHF thousands)	30/06/2024	31/12/2023		
Total assets	31,251,100	30,269,565	981,535	3.2%
Mortgage loans	13,685,075	13,119,557	565,518	4.3%
Assets under management and administration	36,612,526	35,264,056	1,348,470	3.8%
Shareholders' equity	2,248,558	2,183,526	65,032	3.0%
Tier 1 capital ratio	15.88%	16.08%	(20 basis points)	(1.3%)
Ratio of regulatory capital available	16.67%	17.01%	(34 basis points)	(2.0%)
Staff (full-time equivalents)	942	917	25	2.7%

4 Consolidated balance sheet – BCGE Group

ASSETS	30.06.2024	31.12.2023	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,934,360	6,710,001	224,359	3.3
Amounts due from banks	827,775	700,448	127,327	18.2
Amounts due from securities financing transactions	151,250	389,992	(238,742)	(61.2)
Amounts due from customers	6,196,260	6,082,003	114,257	1.9
Mortgage loans	13,685,075	13,119,557	565,518	4.3
Trading portfolio assets	86,892	63,335	23,557	37.2
Positive replacement values of derivative financial instruments	13,115	22,595	(9,480)	(42.0)
Financial investments	2,899,855	2,648,593	251,262	9.5
Accrued income and prepaid expenses	83,711	66,870	16,841	25.2
Participations	71,096	72,044	(948)	(1.3)
Tangible fixed assets	109,399	107,237	2,162	2.0
Other assets	192,312	286,890	(94,578)	(33.0)
Total assets	31,251,100	30,269,565	981,535	3.2
Total subordinated claims	48,768	48,090	678	1.4
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	30.06.2024	31.12.2023	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	3,574,162	2,084,209	1,489,953	71.5
Liabilities from securities financing transactions	75,000	100,000	(25,000)	(25.0)
Amounts due in respect of customer deposits	19,962,298	20,449,267	(486,969)	(2.4)
Trading portfolio liabilities	103,675	2,728	100,947	3,700.4
Negative replacement values of derivative financial instruments	10,874	30,826	(19,952)	(64.7)
Cash bonds	3,239	3,282	(43)	(1.3)
Bond issues and central mortgage institution loans	4,690,535	4,719,535	(29,000)	(0.6)
Accrued expenses and deferred income	141,883	151,661	(9,778)	(6.4)
Other liabilities	433,354	536,716	(103,362)	(19.3)
Provisions	7,522	7,815	(293)	(3.7)
Reserves for general banking risks	290,000	290,000	-	-
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	283,774	291,315	(7,541)	(2.6)
Statutory retained earnings reserve	1,246,568	1,059,968	186,600	17.6
Currency translation reserve	(32,239)	(36,545)	4,306	(11.8)
Own shares (negative item)	(15,569)	(12,452)	(3,117)	25.0
Profit/loss (result of the period)	116,024	231,240	(115,216)	(49.8)
Total liabilities	31,251,100	30,269,565	981,535	3.2
Total subordinated liabilities	241,535	241,535	-	-
<i>of which subject to mandatory conversion and / or debt waiver</i>	241,535	241,535	-	-
OFF-BALANCE-SHEETS TRANSACTIONS	30.06.2024	31.12.2023	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	965,789	1,028,702	(62,913)	(6.1)
Irrevocable commitments	908,706	976,413	(67,707)	(6.9)
Obligations to pay up shares and make further contributions	287,278	272,183	15,095	5.5
Credit commitments	54,638	18,453	36,185	196.1

Consolidated income statement – BCGE Group

	30.06.2024	30.06.2023	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	316,596	263,821	52,775	20.0
Interest and dividend income from trading portfolios	35	108	(73)	(67.6)
Interest and dividend income from financial investments	14,436	7,690	6,746	87.7
Interest expense	(129,821)	(78,695)	(51,126)	65.0
Gross result from interest operations	201,246	192,924	8,322	4.3
Changes in value adjustments for default risks and losses from interest operations	(4,619)	(5,944)	1,325	(22.3)
Subtotal net result from interest operations	196,627	186,980	9,647	5.2
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	34,494	30,725	3,769	12.3
Commission income from lending activities	19,307	19,514	(207)	(1.1)
Commission income from other services	23,063	21,763	1,300	6.0
Commission expense	(4,140)	(4,676)	536	(11.5)
Subtotal result from comission business and services	72,724	67,326	5,398	8.0
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION				
Subtotal result from trading activities and the fair value option	19,753	17,788	1,965	11.0
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	6,079	9,470	(3,391)	(35.8)
Income from participations	5,424	5,402	22	0.4
Result from real estate	574	600	(26)	(4.3)
Other ordinary income	2,525	3,302	(777)	(23.5)
Other ordinary expenses	(4,097)	(266)	(3,831)	1,440.2
Subtotal other result from ordinary activities	10,505	18,508	(8,003)	(43.2)
Total operating income	299,609	290,602	9,007	3.1
OPERATING EXPENSES				
Personnel expenses	(91,179)	(86,660)	(4,519)	5.2
General and administrative expenses	(58,882)	(54,987)	(3,895)	7.1
Subtotal operating expenses	(150,061)	(141,647)	(8,414)	5.9
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(11,738)	(11,067)	(671)	6.1
Changes to provisions and other value adjustments, and losses	(1,171)	(880)	(291)	33.1
Operating result	136,639	137,008	(369)	(0.3)
Extraordinary income	11	602	(591)	(98.2)
Extraordinary expenses	-	(49)	49	(100.0)
Changes in reserves for general banking risks	-	-	-	-
Taxes	(20,626)	(20,688)	62	(0.3)
Profit/loss (result of the period)	116,024	116,873	(849)	(0.7)
<i>of which minority interests in profit & loss account</i>	-	-	-	-

Consolidated statement of changes in equity – BCGE Group

CHF thousand	Bank's capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Own shares (negative item)	Result of the period	Total
Equity at start of current period	360,000	291,315	1,059,968	290,000	(36,545)	(12,452)	231,240	2,183,526
Acquisition of own shares						(14,801)		(14,801)
Disposal of own shares						14,986		14,986
Profit (loss) on disposal of own shares		3,302				(3,302)		-
Currency translation differences					4,306			4,306
Dividends and other distributions		677					(46,800)	(46,123)
Special allocation to the State of Geneva (20% of dividends paid)							(9,360)	(9,360)
Other allocations to (transfers from) the reserves for general banking risks								-
Other allocations to (transfers from) other reserves		(11,520)	186,600				(175,080)	-
Profit / loss (result of the period)							116,024	116,024
Equity at end of current period	360,000	283,774	1,246,568	290,000	(32,239)	(15,569)	116,024	2,248,558

Condensed notes – BCGE Group

Detail of extraordinary income and expenses

	30.06.2024	30.06.2023
	CHF thousand	CHF thousand
Extraordinary income		
Residual extraordinary profit from a dispute with an IT service provider, resolved at the end of 2022	0	450
Proceeds from the sale of immaterial securities	0	139
Sale of a building	0	0
Other	11	13
Total	11	602
Extraordinary expenses		
Non-operating expenses		
Other	0	(49)
Total	0	(49)

▪ Highlights

The highlights on pages 2 to 3 provide information on the economic factors that influenced the results under review and their changes from the previous year.

- The amount of mortgage loans and client receivables, corresponding to the 2023 financial year, has been adjusted to conform to the presentation of the figures for the 2024 financial year.
- Change in the scope of consolidation: the Bank has registered a subsidiary in Hong Kong, 100% owned by the Bank, under the name: BCGE (Asia) Company Limited. On 8 February 2024, the Securities & Futures Commission of Hong Kong granted this subsidiary authorisation to carry on regulated broker and adviser activities.
- Post-balance sheet event: on 1 July 2024, the Bank acquired 100% of the shares in the representative company Mont-Fort Funds AG. The company acts as a representative of foreign funds in Switzerland. It will be consolidated by BCGE Group from the date of acquisition.

Disclaimer

© Banque Cantonale de Genève. This document should not be considered as an offer, recommendation, advice (in particular investment advice) or solicitation to buy, sell or transfer the mentioned financial securities or any other related financial instrument. Nor does it constitute a "financial analysis" as defined in the "Guidelines for independent financial analysis" of the Swiss Bankers Association. Before making a decision, the reader should consult a specialist in the respective tax, accounting, real estate or other professional field. The information contained in this document is not intended to replace or substitute for legal, real estate, tax or other advice, consultation or service. Banque Cantonale de Genève cannot guarantee the accuracy, completeness or reliability of the information contained in this document, as it is provided for informational purposes only and is subject to change without notice. Therefore, any investment decision made by the reader is his or her own responsibility. This document is not intended for natural or legal persons who, because of their nationality, their place of residence or for any other reason, are subject to jurisdictions which might prohibit or limit its use. The services, products and financial services mentioned in this document are not offered to persons residing in the United States of America and are not otherwise available in the United States of America. Only the French version shall be binding.

communication@bcge.ch

